



# Missouri

## Real Estate Appraisers Commission

Division of Professional Registration

### Message from the Chair

By: Darryl Knopf, Chair

Welcome to life as an appraiser in 2014. It seems every appraisal has time constraints, distance constraints and knowledge constraints. I want to meet the lucky appraiser these days who is getting all of the easy appraisals. Surely it can't be lenders just getting an AVM. If lenders are using AVMs, the lack of quality comparables out there would lead to lenders just fooling themselves and relying on loss ratios again. You would think someone would say: been there, done that and got hammered. Unfortunately, some of the problems in the market with comparables are similar; mainly junk in, junk out. Another way of saying that would be: bad comparables in, then bad analysis out. In many of the market areas that I am in, it appears to have stabilized; however, these markets are still sluggish with few sales. We still don't have the upward mobility in the market. The majority of people still don't take the risk to sell their property and move to a larger home. Even the standard, arm's length, conventional sales appear to have some distressed background.

So if you do get a standard home to appraise, it becomes difficult to find the quality comparables to justify value. Get used to it, because our profession might be dealing with it for a long time. The only method of protection for the appraiser today is education and time to complete a quality appraisal. At some point in time the market will have to adjust and pay for the amount of professionalism and time to complete the assignments. The government has forced us to produce a better product, and somewhere down the line they will need to contemplate a cost/value analysis of the product they desire. I believe the scope of work has helped us out tremendously, and we as a profession have to become more proficient in utilizing the scope of work tools to complete work assignments in a competitive marketplace. A word of caution: make sure the client is clear in what they are asking for and receiving. The three basic items to remember are: 1. How do your peers complete appraisals? 2. What do

your lenders/government look for in a report? 3. Is there a correct way to accomplish the appraisal? We definitely need more interaction among our peers to keep in tune with what's going on.

In reviewing appraisals some of the main concerns are as follows:

1. Neighborhood description
2. Market analysis and condition
3. Zoning
4. History of sale
5. Lot value



Obviously, there are some other items, such as crazy adjustments and condition adjustments; however, I'll address a few of those items.

#### NEIGHBORHOOD DESCRIPTION

Many of the residential appraisers like to clone this section of the appraisal. Some portions of this description might be able to be cloned. If you completed another appraisal in the subdivision, much of it could be cloned. I have trouble with this section not having real neighborhood discussion. Urban, suburb and rural generally would not have the same description. Does subject back to a highway or railroad and could that be a factor in the valuation of the property? We might see the same description in two appraisals in two separate cities or completely different type of neighborhoods. The style of homes that are in the area, site sizes, distance to commercial

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or interstate and industry in the community are important items in describing a neighborhood. Is subject near the median in value; if not, is there external depreciation possibly applicable? Does the subdivision have amenities such as a common lake, pool or golf course? Is the subdivision compatible to the area, or is it an over-improvement? Again, this might or might not be an over-improvement for the area. At least discuss the neighborhood particulars.

## **MARKET ANALYSIS & CONDITION**

I have to admit, I am not a fan of the market condition addendum. I believe most of the time we don't have enough compatible properties to have a quality statistical analysis. The market area can be expanded so there are an ample number of compatible sales and listings, but variations in neighborhoods can distort the analysis.

The market condition addendum does not relieve us of the duty of developing some type of an analysis regarding a property's market conditions. We usually do a year-to-year analysis of the overall market area to see if the median sale price has changed significantly. We also look at any considerable change in the days on the market and number of sales.

Other items we might discuss in a market analysis are the availability of funding, REO or short sales in the market. Some of this information can be cloned from appraisal to appraisal; however, with every report there is going to be new data for the market. Without doing some type of analysis, how can an appraiser state whether a market is inflating, stable, or declining? There have been market areas where no one is selling property. Some markets have only REO or short sales. Again, discuss this and describe why you believe this is a distressed market.

## **ZONING**

Obviously zoning is an important issue. Single Family Residential might not be specific enough in the classification or the description. Most of the forms ask for a zoning classification, which might be R1, R2, etc. We are then asked to provide a description of that classification, such as single family residential, 10,000 square foot minimum site. The main issue with zoning may occur with older homes. If an older home is significantly damaged, the site's zoning might not allow the same type of structure to be built or same usage of the property. Most zoning descriptions provide the minimum lot size allowable for the usage or structure. Most communities are on the internet with their zoning, and you are responsible for checking the site. If no website is available, you need to contact the municipality or county. Zoning of a commercial or multi-family property is imperative to developing highest and best use. If a commercial appraiser is not obtaining the correct zoning or making the hypothetical that the zoning is correct for the usage, this would be a major problem at the commission level. If your community is not making it easy to get zoning information, I suggest you become active and make it easy to get the information. There is no excuse if you just have "single family residential" under the classification when the governmental body has specific classifications.

## SALE HISTORY

I realize some counties are nondisclosure; however, they all keep a record if the property has transferred. We are required to give a transfer history of the subject property and comparables. MLS will give us some information; however, research needs to come from the county records. It's black and white. You either did it or didn't do it. It is a violation by not having the information. It is a possibility that your county might not be up-to-date with the information, which is why they ask the date of the source. The larger counties give the date of the source on the internet. You might want to ask the assessor's office how often they update. You're only as good as your source. This is particularly true for a property that may have been "flipped." I believe many lenders look for any excuse so they don't have to take the blame for a bad loan. If a property has a large difference in the current sale price or refinance value and a previous sale price, you are supposed to explain the variation. The more description you provide, the better. Protect yourself. A thorough description is your best defense if a loan goes bad and the owner of the note wants to send the appraisal report to the commission. Incorrectly cloned information and a mostly generic description does not help; it only makes the appraisal more difficult to read.

## LOT VALUE

Even if you are not doing a cost approach, you are still required to provide a land value. Most of the time, it would be difficult to complete a cost approach effectively if you did not complete an accurate lot valuation. A site valuation should benefit any necessary lot adjustments in the sales comparison approach. That being said, providing the assessor's valuation of a site is not an appropriate method for site valuation. The assessor's opinion on site value might be a good viewpoint if you have a quality assessor, but should only be a viewpoint. Many appraisals state you have completed an extraction approach. Have you really? Many of the lot values we see at the Commission level are ridiculous and have not been achieved by any approach. Go back three years and get some comparables. If there are only a few sales, you will probably use them over and over again. Document them in the appraisal with MLS numbers or sources of the sales information. Was the location and price point for the area similar, topography similar, utilities similar and size similar, and should

there be a date of sale adjustment? If you're in an area where homes are being razed to build larger homes, don't just take 20–25% of the value and say it is the land value. If you see a newer home in an older, fully developed area, check as to what the original home or lot sold for.

A property's zoning, sale history and lot value are fundamentals for an appraisal report. The basics for an appraisal can be simple, and will help create a better report.

I believe appraisers will always be better than AVMs; however, lenders will continue to push for them because they are faster and cheaper. Putting too much emphasis on AVMs will get the lenders burnt again. It is my belief the best tool an appraiser can have is common sense. Naturally, education, sources and writing skills are necessary; however, the best guide is common sense. Know your limitations and act accordingly. If an appraisal assignment becomes too difficult, either get help or withdraw from the assignment. ■



# Competency

By: Cash Gill, Commissioner



I have had numerous appraisers, both residential and general certified, ask me about various elements of competency. Some are questions regarding levels of certification and property types. On other occasions, the questions have to do more with geographic coverage. Finally, the concept of competency as it relates to various special use property types is the most complex topic I typically discuss with fellow appraisers.

## Subject Matter

First, I will start with residential versus general certification and the common and ongoing concern appraisers have in Missouri. USPAP itself does not dictate what is residential and what is commercial. It simply requires an appraiser to “Be Competent.” This can be found in the 2012–2013 edition of USPAP on page U-11. In order to be competent, the appraiser is required to have:

1. The ability to properly identify the problem to be addressed; and
2. The knowledge and experience to complete the assignment competently; and
3. Recognition of, and compliance with, laws and regulations that apply to the appraiser or to the assignment.

It all comes down to the highest and best use of the property. While states have clearly drawn lines on a large number of property types based upon licensure

level, it is up to the appraiser to determine what they, their peers and the profession would agree upon as to the highest and best use of the property.

Some property types that would be most suitable for residential certified appraisers are a single family home, duplex, triplex and fourplex. Some vacant land would also be acceptable. Commercial examples would be a single family home on a farm or large tract that could be considered for commercial use and any other income-producing or special- use property. In the event a residential certified appraiser inadvertently accepts an assignment he or she is not qualified to complete, there are two options the appraiser can choose:

1. Decline the assignment because of lack of competency; or
2. Partner with a general certified appraiser who is competent to complete the assignment.

The example I see most often is what some in the profession refer to as a “hobby farm.” Typically, appraisers want a hard line drawn based on acreage. For example, “I learned in one of my classes that a residential certified appraiser cannot complete an appraisal on a home when it sits on 40 or more acres of land.” This is a common misconception. There is no size limit. The site could be 0.10 acres or 100 acres. It all depends on what the market shows as the highest and best use.

## Geographic Coverage

Let’s move on to geographic competency. USPAP’s stance on geographic competency is quite simple. If you have no direct knowledge of the market area, you must let your client know that you are not competent and how you will become competent before accepting the assignment.

For residential certified appraisers, I have typically seen areas delineated by county. A residential firm will likely cover one or several counties. If there is a



commercial arm to the firm, the commercial coverage area will not normally coincide with the residential. This is usually based on the fees paid for residential appraisals versus commercial appraisals and the cost to travel and gather related information.



For general certified appraisers, coverage areas can be delineated similarly to residential, but more often I find that the coverage areas are much larger. Some general certified appraisers will cover an entire state, a tri-state area or the entire nation.

It is important to note that appraisers that have a coverage area of the entire state may not be as competent as they need to be in all areas of the state. For example, an appraiser in Southeast Missouri could likely have more competency in Southern Illinois, Western Kentucky, Western Tennessee and Northeastern Arkansas than in Kansas City.

Presenting a coverage area such as “statewide” can be very misleading for clients when not explained properly. In all cases where the appraiser may lack geographic competency, it is important to work with someone local to obtain the required information to be considered competent.

### **Special Use**

When dealing with special-use properties or anything really “out of the ordinary”, you may find that there are appraisers who specialize in these and have more competency in the property type than in the location.

In these instances, geographic competency can be outweighed by subject matter competency. While it is still absolutely necessary to gain geographic

competency, it is possible that no one with geographic competency would know enough about the property type to add useful information.

For example, if you are appraising a 1 million square foot natural gas plant in a very rural area, there is likely no one nearby that could offer data that would be useful for locational attributes. With these types of properties, there is a more regional market than any sort of immediate local market — which would mean that the geography would not be a city or county but more of a region or even the nation.

The main thing to remember, when dealing with competency, is that it is very subjective. Because there are no clear lines drawn about property types, width of geographic coverage or how to handle special-use properties, appraisers must consider what their peers would do in the same situation and how the market would react to the subject being appraised. ■

# The Requirements of USPAP and the Secondary Market

By: Ann Nunn Jones, Commissioner

Many of the violations brought before the Commission deal with specific omissions and/or incomplete information on the single-family report form. These areas include the lack of legal descriptions, analysis of the contract, incomplete site comments, highest and best use analysis and the support for the opinion of site value.

## Legal Descriptions

Standards Rule 2-2 (a)iii states: The appraiser is to “describe information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment. The real estate involved in the appraisal can be specified, for example, by a legal description, address, map reference, copy of a survey or map, property sketch and/or photographs or the like to identify the relevant characteristics of the subject property.”

While USPAP does not require the appraiser to include a legal description, secondary guidelines require a legal description. If you accept an assignment to prepare an appraisal for the secondary market, you are required to fulfill their requirements. If you do not, you are in violation of USPAP.

Some unacceptable comments include:

- “None provided by the client”
- “N/A”
- “Survey to Govern”

## Analyzing the Contract

“Analyze” is a verb and requires an action. This includes evaluating, examining, scrutinizing and dissecting the contract. Secondary Market Requirements state: “I did or did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.”

USPAP Standards Rule 1-5 states: “When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business: (a)

analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal; and (b) analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal.”

Statements such as: “DOM 154. Sale price \$165,000” or “The appraiser is not an attorney and is not qualified to analyze the contract” are incomplete and inappropriate. You are in violation of USPAP and the secondary market with such statements. They do not analyze the contract. They do not explain the results of the analysis nor do they state if the transaction is reflective of the current market.

## Appropriate Site Comments

Standards Rule 1-4 states: “In developing a real property appraisal, an appraiser must collect, verify and analyze all information necessary for credible assignment results. Standards Rule 2-1 states: “Each written or oral real property appraisal report must: (a) clearly and accurately set forth the appraisal in a manner that will not be misleading; (b) contain sufficient information to enable the intended users of the appraisal to understand the report property; and (c) clearly and accurately disclose all assumptions, extraordinary hypothetical conditions, and limiting assumptions, hypothetical conditions, and limiting conditions used in the assignment.”

Form 1004 asks: “Are there any adverse site conditions or external factors?” While checking the box “Yes” or “No” might fulfill the secondary market requirements, it does not fulfill the requirements of Standards Rule 2-1.

Site descriptions should include specific comments concerning the property under appraisement. They may include comments as to the terrain, site improvements, ingress/egress, landscaping, zoning compliance and/or use of private water or sewer.

Dimensions are required by the secondary market. They have a direct impact on the utility of the site. Does a site measuring 10' x 500' have the same utility as a site measuring 50' x 100'? They both have 5,000 SF, but the site with only 10 front feet would have limited utility. Be clear and specific with your comments. Comments such as “Survey to Govern”, “N/A”, “None Provided”,

“.43 acres”, etc., are not dimensions and, therefore, are not acceptable.

### Highest and Best Use

Secondary guidelines ask: “Is the Highest and Best use of the subject property as improved (or as proposed per plans and specifications) the present



use?” While the form does not require anything more than a “check the box”, USPAP requires you have an analysis. Is it in your work file? If not, you are in violation of Standards Rule 1-3.

### Cost Approach to Value

Form 1004 states: “The cost approach is not required by Fannie Mae.”

Standards Rule 2-2B (viii) states: “Summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analysis, opinions and conclusions; EXCLUSION OF THE SALES COMPARISON APPROACH, COST APPROACH OR INCOME APPROACH MUST BE EXPLAINED.”

If the cost and/or income approach are relevant to the assignment, they must be included, even if they are not a requirement of the secondary market.

### Support for the Opinion of Site Value

Secondary guidelines require a “summary of comparable land sales or other methods for estimate site value.”

Standards Rule 1-4 (b)i states: “Develop an opinion of site value by an appropriate appraisal method or technique.”

To “summarize” is a verb. The definition is “to make a short statement of the main points, to encapsulate, recap, sum up, condense, streamline.”

The Commission continues to see these types of statements for support of site value:

“Contained in the appraiser’s files”

“Value obtained from county assessor’s records”

“Site value from land sales in the subject’s area or by the allocation method”

You have not fulfilled the requirements of the secondary market if you use these types of statements. You are in violation of USPAP because you accepted an assignment to perform an appraisal for the secondary market and did not provide the required information. You must give a summary of land sales or provide the summary of the allocation or extraction method, and reconcile the data when arriving at a site value.

### In Conclusion

The requirements for residential lending have changed drastically in the past few years and reporting expectations are much greater today than ever before. You cannot appraise in today’s world as you did five years ago. Forget about “canned” comments. Be specific, be clear, and be thorough. ■

## MAAC ANNUAL CONFERENCE

April 10-12, 2014  
Port Arrowhead Resort, Lake Ozark, Mo.



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Advisory Council** on Facebook at  
[facebook.com/maacmo](https://facebook.com/maacmo).

# 2015 Criteria Changes

As a reminder, any person currently licensed as a trainee who does not receive his/her full license by December 31, 2014, will be required to reapply under the 2015 AQB Criteria. This includes retaking the examination which can only be taken after all educational and experience requirements have been met.



COLLEGE LEVEL EDUCATION REQUIREMENT CHANGES		
CLASSIFICATION	CURRENT REQUIREMENTS	1/1/15 REQUIREMENTS
Trainee Appraiser	None	None
Licensed Residential Appraiser	None	30 semester credit hours of college-level education from an accredited college, junior college, community college or university OR an associate degree or higher (in any field).
Certified Residential Appraiser	21 semester credit hours in specified collegiate subject matter courses from an accredited college or university OR an associate degree or higher.	Bachelor's degree or higher (in any field) from an accredited college or university.
Certified General Appraiser	30 semester credit hours in specific collegiate subject matter courses from an accredited college or university OR a bachelor's degree or higher.	Bachelor's degree or higher (in any field) from an accredited college or university.

SUPERVISORY APPRAISER AND TRAINEE APPRAISER REQUIREMENT CHANGES	
SUPERVISORY APPRAISER	TRAINEE APPRAISER
* State-certified Supervisory Appraiser shall be in good standing with the training jurisdiction and not subject to any disciplinary action within the last three (3) years that affects the Supervisory Appraiser's legal ability to engage in appraisal practice. Shall have been state-certified for a minimum of three (3) years prior to being eligible to become a Supervisory Appraiser.	* All qualifying education must be completed within the five (5)-year period prior to the date of submission of an application for a Trainee Appraiser credential.
A Supervisory Appraiser may not supervise more than three Trainee Appraisers at one time, unless a state program in the licensing jurisdiction provides to progress monitoring, supervising certified appraiser qualifications, and supervision oversight requirements for Supervisory Appraisers.	A Trainee Appraiser is permitted to have more than one (1) Supervisory Appraiser.
Shared responsibility to ensure the appraisal experience log for the Trainee Appraiser is accurate and current and complies with the requirements of the Trainee Appraiser's credentialing jurisdiction.	
* Both the Trainee Appraiser and Supervisory Appraiser shall be required to complete a course that, at a minimum, complies with the specifications for course content established by the AQB. The course will be oriented toward the requirements and responsibilities of Supervisory Appraisers and expectations for Trainee Appraisers. The course must be completed by the Trainee Appraiser prior to obtaining a Trainee Appraiser credential, and completed by the Supervisory Appraiser prior to supervising a Trainee Appraiser.	

\* Effective 06/30/13 in Missouri



# AMC Regulations

On June 30, 2013, the following regulations took effect regarding the licensure of appraisal management companies (AMC).

An AMC license can be verified by calling the office or by checking online under Online Services at [www.pr.mo.gov](http://www.pr.mo.gov).

## **20 CSR 2245-10.010 Appraisal Management Company Application Requirements**

*PURPOSE: This rule informs applicants of the requirements, procedures, and qualifications necessary for obtaining a license.*

(1) To apply for a license, an appraisal management company (AMC) shall submit a nonrefundable initial application fee as established by rule in 20 CSR 2245-5.020(2) along with the written application on a form provided by the commission which shall include but is not limited to the following information:

(A) Name of entity seeking registration;

(B) Business address of entity seeking registration, which shall be located and maintained in this state;

(C) Phone contact information of the entity seeking registration;

(D) If the entity is not a corporation that is domiciled in this state, the name and contact information for the company's agent for services of process in this state;

(E) The name, address, and contact information for any individual or any corporation, partnership, or other business entity that owns ten percent (10%) or more of the appraisal management company;

(F) The name, address, and contact information for a designated controlling person to be the primary communication source for the commission;

(G) Proof of submission of fingerprints to the Missouri State Highway Patrol's approved vendor for both a Missouri State Highway Patrol and Federal Bureau of Investigation background check for the controlling person and each person who owns more than ten percent (10%) of an appraisal management company as listed on the application; and

(H) A surety bond in the amount of twenty thousand dollars (\$20,000).

(2) An AMC which operates in this state under more than one (1) business name (d.b.a.s or "doing business as") shall disclose the name of each d.b.a. on the application for licensure.

(3) The initial application submitted by the appraisal management company shall include the following certifications:

(A) That the AMC has a system in place to verify appraisers on their panel are licensed by the Missouri Real Estate Appraisers Commission and hold a current, valid, unencumbered license to practice in the state of Missouri;

(B) That the AMC has in place a system to review the work of all appraisers performing appraisal services and that the services are conducted in compliance with the Uniform Standards of Professional Appraisal Practice;

(C) That the AMC maintains a detailed record of each service request that it receives for appraisal services in Missouri and the appraiser who performs the appraisal services for the AMC; and

(D) That the AMC has reviewed each person or entity that owns more than ten percent (10%) of the AMC and no person or entity owning more than ten percent (10%) of the AMC has a license or certificate that is currently on discipline.

(4) An AMC shall notify the commission in writing within thirty (30) days of a change in its controlling person, agent of record, or ownership composition.

(5) Each application for an appraisal management company registration shall be made in the name of the person or business entity authorized to conduct business in Missouri. No registration shall be issued to a company that has no legal recognition. A Missouri AMC shall maintain a current and active authorization to conduct business in Missouri with the Missouri Secretary of State.

*AUTHORITY: sections 43.543, 339.509, 339.511, and 339.513, RSMo Supp. 2012, and section 339.544, RSMo 2000.\* Original rule filed Nov. 13, 2012, effective June 30, 2013.*

*\*Original authority: 43.543, RSMo 1993, amended*



2003, 2005, 2008; 339.509, RSMo 1990, amended 1998, 2012; 339.511, RSMo 1990, amended 1998, 2012; 339.513, RSMo 1990, amended 1990, 1998, 2007, 2012; and 339.544, RSMo 1998.

## **20 CSR 2245-10.020 Appraisal Management Company Standards of Practice**

*PURPOSE: This rule informs applicants of the appraisal management company standards of practice.*

(1) An appraisal management company (AMC) that has been issued a registration by the Missouri Real Estate Appraisers Commission under these rules shall be responsible for complying with the following:

(A) Shall maintain with the commission the name and address of a registered agent for service of process and shall furnish the commission within five (5) business days of any changes to the information on file;

(B) Shall maintain a complete record of all requests for appraisal services referred to state licensed and certified appraisers, the amount of fees collected from borrowers or clients as well as payments to the appraisers, and shall make such information available upon commission request;

(C) Shall separately state to the client the fees paid to an appraiser for the appraisal services and the fees charged by the appraisal management company for services associated with the management of the appraisal process, including procurement of the appraiser's services;

(D) Shall make available to the commission any and all records that are required to be kept or records deemed by the commission to be pertinent to an investigation of a complaint against a registrant;

(E) Shall designate a controlling person responsible for ensuring compliance with the acts and regulations and shall file with the commission a certification identifying the controlling person and that individual's acceptance of these responsibilities;

(F) Shall maintain all records for a period of five (5) years. Additionally, records that are used in judicial proceedings in which the appraiser provided testimony related to the assignment shall be retained for at least two (2) years after disposition;

(G) At any time a document filed with the commission becomes inaccurate or incomplete the registrant shall within thirty (30) days file an amendment correcting the information;

(H) Shall disclose to an appraiser within their engagement documents verification of their state registration with the Missouri Real Estate Appraisers Commission;

(I) Shall not employ any person directly involved in appraisal management services who has a license or certificate to act as an appraiser in Missouri or in any other state that is currently on discipline;

(J) Shall not knowingly enter into any independent contractor arrangement, whether in verbal, written, or in other form, with any person who has had a license or certificate to act as an appraiser in Missouri or in any other state refused, denied, cancelled, revoked, or surrendered in lieu of a pending revocation;

(K) Shall not knowingly enter into any contract, agreement, or other business relationship directly involved with the performance of real estate appraisal or appraisal management services, whether in verbal, written, or any other form, with any entity that employs, has entered into an independent contract arrangement, or has entered into any contract, agreement, or other business relationship, whether in verbal, written, or any other form, with any person who has ever had a license or certificate to act as an appraiser in Missouri or in any other state, refused, denied, cancelled, revoked, or surrendered in lieu of a pending revocation;

(L) Shall not prohibit an appraiser who is part of an appraiser panel from recording the fee that the appraiser was paid by the appraisal management company for the performance of the appraisal within the appraisal report;

(M) Shall not require an appraiser to modify any aspect of an appraisal report unless the modification complies with Uniform Standards of Professional Appraisal Practice;

(N) Shall only require an appraiser to prepare an appraisal under a time frame that affords the appraiser, in their own professional judgment, the ability to meet all relevant legal and professional obligations. Appraisers shall decline appraisal assignments made outside of such time frame and shall notify the AMC accordingly;

(O) Shall not prohibit or inhibit legal or other allowable communication between the appraiser and—

1. The lender;
2. A real estate licensee; or

3. Any person from whom the appraiser, in the appraiser's own professional judgment, believes the communication would be relevant;

(P) Shall not require the appraiser to do anything that does not comply with the—

1. Uniform Standards of Professional Appraisal Practice;

2. Sections 339.500 to 339.549, RSMo, and the regulations promulgated thereunder; or

3. Any assignment conditions required by the client;

(Q) Shall not make any portion of the appraiser's fee or the appraisal management company's fee contingent on a predetermined or favorable outcome, including but

not limited to:

1. A loan closing; or
2. Specific dollar amount being achieved by the appraiser in the appraisal report;

(R) Shall not require an appraiser to provide the appraisal management company with the appraiser's digital signature or seal; and

(S) Shall not alter, modify, or otherwise change a completed appraisal report submitted by an appraiser.

(2) No employee, director, officer, or agent of an AMC shall influence or attempt to influence the development, reporting, or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery, or in any other manner, including but not limited to:

(A) Withholding or threatening to withhold timely payment for an appraisal, except in cases of substandard performance or noncompliance with conditions of engagement;

(B) Withholding or threatening to withhold future business or demoting, terminating, or threatening to demote or terminate an appraiser;

(C) Expressly or impliedly promising future business, promotions, or increased compensation for an appraiser;

(D) Conditioning the request for an appraisal of the payment of an appraisal fee or salary or bonuses on the opinion, conclusion, or valuation to be reached, or on a preliminary estimate or opinion requested from an appraiser;

(E) Requiring that an appraiser provide an estimated, predetermined, or desired valuation in an appraisal report or provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal;

(F) Providing to an appraiser an anticipated, estimated, encouraged, or desired value for a subject property or proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;

(G) Providing an appraiser, or any entity or person related to the appraiser, stock or other financial or nonfinancial benefits;

(H) Allowing the removal of an appraiser from an appraiser panel without prior written notice to such appraiser outlining the reason(s) for removal and allowing the appraiser a reasonable amount of time to respond;

(I) Any other act or practice that knowingly impairs or attempts to impair an appraiser's independence, objectivity, or impartiality;

(J) Requiring an appraiser to collect an appraisal fee on behalf of the AMC from the borrower, homeowner, or other third party; or

(K) Requiring an appraiser to indemnify an AMC or hold an appraisal management company harmless for any liability, damage, losses, or claims arising out of the services performed by the AMC, and not the services performed by the appraiser.

(3) Nothing in sections (1) and (2) of this regulation shall prohibit the AMC from requesting that an appraiser—

(A) Provide additional information about the basis for a valuation;

(B) Correct objective factual errors in an appraisal report; or

(C) Provide additional information with the appraisal regarding additional sales provided through an established dispute process.

*AUTHORITY: sections 339.509 and 339.511, RSMo Supp. 2012, and section 339.544, RSMo 2000.\* Original rule filed Nov. 13, 2012, effective June 30, 2013.*

*\*Original authority: 339.509, RSMo 1990, amended 1998, 2012; 339.511, RSMo 1990, amended 1998, 2012; and 339.544, RSMo 1998.*

## **20 CSR 2245-10.030 Renewal**

*PURPOSE: This rule establishes the expiration and renewal dates for appraisal management companies.*

(1) Every license issued shall expire on June 30 of every even numbered year after the date of issuance. The commission shall mail to each registrant, at least sixty (60) days prior to the expiration date of each renewal year, a notice of the expiration and application for renewal of the license to the address on file with the fundable fee as established by rule in 20 CSR 2245-5.020(2), and satisfactory proof that the appraisal management company (AMC) meets all requirements for licensure renewal postmarked before midnight on June 30 of each year of expiration. Delinquent renewals shall be accompanied by a nonrefundable delinquent fee as established by rule in 20 CSR 2245- 5.020(2).

(2) At the time of renewal the AMC shall certify to the commission on the renewal form that—

(A) The AMC has a system and process in place to verify that an individual being added to the appraiser panel holds a license in good standing in this state;

(B) The AMC has a system in place to verify that an individual whom the AMC is making an assignment for the completion of an appraisal does not currently hold a license or certificate on discipline;

(C) The AMC has a system in place to perform an appraisal review on a periodic basis of the work of all appraisers who are performing appraisals for the AMC

to validate the appraisals are being conducted in compliance with the Uniform Standards of Professional Appraisal Practice; and

(D) The AMC maintains a detailed record of each service request for appraisal services within the state of Missouri that it receives from each appraiser who performs an appraisal for the AMC in Missouri.

(3) Failure to receive the notice and application to renew from the commission shall not excuse the registrant from the requirements for renewal contained in this rule.

*AUTHORITY: sections 339.511 and 339.525, RSMo Supp. 2012, and section 339.544, RSMo 2000.\* Original rule filed Nov. 13, 2012, effective June 30, 2013.*

*\*Original authority: 339.511, RSMo 1990, amended 1998, 2012; 339.525, RSMo 1990, amended 1997, 2007, 2012; and 339.544, RSMo 1998.*

## **20 CSR 2245-10.040 Surety Bond Requirements**

*PURPOSE: This rule establishes surety bond requirements for appraisal management companies.*

(1) The appraisal management company (AMC) shall maintain a valid surety bond in the amount of twenty thousand dollars (\$20,000) and shall submit proof of such bond at the time of initial application, upon renewal, upon maintaining the bond after a draw-down, and at any time requested by the commission. The surety bond shall be in a form prescribed by the commission.

(2) The bond shall accrue to the Missouri Real Estate Appraisers Commission for the benefit of a consumer claimant against the AMC to secure the faithful performance of the AMC's obligations pursuant to sections 339.500 through 339.549, RSMo, and regulations validly promulgated thereunder.

(3) The bond shall be issued by a bonding or insurance company authorized to do business in Missouri and shall secure the faithful performance of the AMC, its employees, or agents in connection with the activities of the AMC.

(4) When an action is commenced on the AMC's bond, the commission may require the filing of a new bond. Immediately upon any recovery on the bond, the AMC shall file a new bond with the commission demonstrating the full penal amount of twenty thousand dollars (\$20,000).

(5) The surety bond is for the protection of consumers and the commission may make a claim on the bond on behalf of a consumer sustaining injury as a result of the actions of an AMC not in compliance with or in violation of sections 339.500 through 339.549, RSMo.

(6) Alternatively, in lieu of presenting a claim on the bond directly, the commission may release a copy of the bond to a consumer or the consumer's attorney. The request for release of the bond to the commission shall be in writing and contain sufficient documentation of the basis for the claim and/or a final judgment from a court of law granting the consumer relief against the AMC. The release of the bond from the commission shall be in writing to the consumer or the consumer's attorney.

(7) On receipt by the commission of notice of intent to cancel a bond by a corporate surety, the commission shall immediately notify the AMC that is the principal of the bond of the effective date of the cancellation. The AMC shall provide, from the corporate surety to the commission, no less than thirty (30) days notice prior to cancellation of the bond. Upon notice from the commission of the cancellation of the bond, the AMC shall furnish a like bond before the cancellation date and within seven (7) business days after mailing the notice by the commission. The AMC shall maintain and replace the bond to twenty thousand dollars (\$20,000) after each draw-down and the bond shall remain in effect for the life of the registration and for one (1) year after expiration, revocation, surrender, or cessation of business by the AMC.

*AUTHORITY: section 339.511, RSMo Supp. 2012, and section 339.544, RSMo 2000.\*Original rule filed Nov. 13, 2012, effective June 30, 2013.*

*\*Original authority: 339.511, RSMo 1990, amended 1998 and 339.544, RSMo 1998.*



# Disciplinary Actions



All complaints received by the Commission are numbered and tracked on the complaint log. A complaint may be based upon personal knowledge or information received from other sources. The complaint must be made in writing. Verbal or telephone communications are not acceptable, but you may request a complaint form by telephone, fill it out and mail back to the Commission.

In general, the complaint is considered to be a closed record and is not accessible to the public. Any complaint that is received by the Commission is acknowledged in writing. The complainant will be notified of the final outcome. Any disciplinary action taken by the Commission is a matter of public record. The Commission believes publication of disciplinary actions to be in the public interest and has included such in this newsletter.

If you have any questions, please contact Vanessa Beauchamp, Executive Director at our office. Please note that all disciplinary orders are posted on the website. The following disciplinary actions were taken by the Commission since the last newsletter and will be maintained as open records, according to the terms of the action.

**Steven Goldman**

Probation - 06/10/2012 - 06/10/2014

**Robyn Richardet**

Voluntary Surrender

**Mary McKinny**

Voluntary Surrender

**Christopher Mild**

Probation - 08/08/2012 - 08/08/2014

**Debra McGowan**

Revoked

**Sterling Newsome**

Revoked

**Daniel Reynolds**

Probation - 08/10/2012 - 08/10/2013

**Jill Hesselgesser**

Probation - 08/15/2012 - 08/15/2013

**Frankie Politte**

Probation - 09/04/2012 - 09/04/2013

**Roger Buelter**

Revoked

**Michael Isom**

Revoked

**Darin Adamson**

Revoked

**Diane Parker**

Revoked

**Eugene Dwiggin**

Suspension - 12/13/2012 - 01/13/2013;

Probation - 01/14/2013 - 01/14/2016

**Jerry Lock**

Probation - 12/18/2012 - 12/18/2013

**Shalene Jacques**

Probation - 12/21/2012 - 12/21/2013

**Edward Neptune**

Voluntary Surrender

**Hallie Laurin**

Probation - 01/02/2013 - 01/02/2015

**Robert Stoltz**

Probation - 01/03/2013 - 01/03/2015

**Mike Bleile**

Probation - 02/16/2013 - 02/16/2016

**Yvonne Wheeler**

Probation - 03/01/2013 - 03/01/2014

**Jerry Sizemore**

Revoked

(Continued on pg. 14)



**Dean VanSchioack**

Revoked

**Thomas Bone**

Revoked

**Susan Peck**

Probation - 03/23/2013 - 03/23/2016

**Tim Reavis**

Public Censure

**Jeffrey King**

Probation - 04/19/2013 - 04/19/2015

**John Howard**

Probation - 05/18/2013 - 05/18/2015

**Jonathan Tester**

Probation - 06/05/2013 - 06/05/2015

**Andrew Sauerwein**

Revoked

**Karri Meyerring**

Revoked

**Pius Omeife**

Probation - 06/21/2013 - 06/21/2014

**Patrick Rehmer**

Revoked

**Robert Dresner**

Revoked

**Marjorie Sebelius**

Probation - 09/12/2013 - 09/12/2015

**James Downey**

Revoked

**Jim Below**

Probation - 09/27/2013 - 09/27/2014

**Tamra Cape**

Probation - 10/23/2013 - 10/23/2015

**Rhonda Allen**

Revoked

## License Statistics

State Licensed	107
Certified Residential	1,303
Certified General	775
State Licensed Trainee	36
Certified Residential Trainee	121
Certified General Trainee	121
Appraisal Management Companies	98

## Complaint Statistics

FY 09 (July 1, 2008 to June 30, 2009)	143
FY 10 (July 1, 2009 to June 30, 2010)	90
FY 11 (July 1, 2010 to June 30, 2011)	80
FY 12 (July 1, 2011 to June 30, 2012)	72
FY 13 (July 1, 2012 to June 30, 2013)	59

# Exam Statistics

**2012**

## Certified General Appraiser Examination

	Total Examinees	Repeat Examinees	First Time Examinees
Total Tested	12	3	9
Total Passed	9 (75.00%)	1 (33.33%)	8 (88.89%)
Total Failed	3 (25.00%)	2 (66.67%)	1 (11.11%)

## Certified Residential Appraiser Examination

	Total Examinees	Repeat Examinees	First Time Examinees
Total Tested	14	2	12
Total Passed	13 (92.86%)	2 (100.00%)	11 (91.67%)
Total Failed	1 (7.14%)	0 (0.00%)	1 (8.33%)

## Licensed Residential (State Licensed) Examination

	Total Examinees	Repeat Examinees	First Time Examinees
Total Tested	1	0	1
Total Passed	1 (100.00%)	0 (0.00%)	1 (100.00%)
Total Failed	0 (0.00%)	0 (0.00%)	0 (0.00%)

**2013**

## Certified General Appraiser Examination

	Total Examinees	Repeat Examinees	First Time Examinees
Total Tested	15	5	10
Total Passed	7 (46.67%)	3 (60.00%)	4 (40.00%)
Total Failed	8 (53.33%)	2 (40.00%)	6 (60.00%)

## Certified Residential Appraiser Examination

	Total Examinees	Repeat Examinees	First Time Examinees
Total Tested	27	6	21
Total Passed	18 (66.67%)	3 (50.00%)	15 (71.43%)
Total Failed	9 (33.33%)	3 (50.00%)	6 (28.57%)

## Licensed Residential (State Licensed) Examination

	Total Examinees	Repeat Examinees	First Time Examinees
Total Tested	2	1	1
Total Passed	0 (0.00%)	0 (0.00%)	0 (0.00%)
Total Failed	2 (100.00%)	1 (100.00%)	1 (100.00%)



The Missouri Department of Insurance, Financial Institutions and Professional Registration and the Missouri Real Estate Appraisers Commission are pleased to announce a new subscription service to make it easier for you to receive updates — by email or text message — on the topics that interest you.

When you visit our subscribe page, you'll see an extensive list of categories. You are currently signed up for the Appraisers topic, but I encourage you to further customize your preferences on the subscribe page.

Getting started is easy. Simply go to the [subscribe page](#), enter your email address or mobile number, then select the topics for which you'd like to receive updates. Click the submit button when you're finished, and watch for a confirmation email or text verifying the updates you've made. You can change your account preferences at any time.

Thank you for your continued interest in DIFP and the Real Estate Appraisers Commission. We look forward to improving our communication with you. Please forward this invitation to any contacts you believe would be interested in this service.

## MOVING?

**PLEASE NOTIFY THE COMMISSION OF  
YOUR NEW ADDRESS.**

The rules and regulations require all licensees to notify the Commission of all such change by sending a letter to the office in Jefferson City, Mo.

\*Please include street address to facilitate any express deliveries.

## PLEASE MAIL TO:

**Real Estate Appraisers Commission  
P.O. Box 1335, Jefferson City, Mo.  
65102-1335**

# Appraisal Complaint National Hotline

## Contact Information:

**Phone: (202) 289-2735**

**Website: [www.asc.gov](http://www.asc.gov)**



The Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council recently announced it will begin operation of the Appraisal Complaint National Hotline (Hotline). The Hotline is required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Hotline includes:

- **Website**

**(<http://ReferMyAppraisalComplaint.asc.gov>)**

The website provides referral information to complainants based on responses to a series of questions and drop-down menu selections. The complainant is provided with agency contact information for filing of a complaint. The website also offers tools and resources to enable complainants to determine the nature of their complaint, as well as other helpful information.

- **Call Center with toll-free number (877-739-0096)**

The call center representative provides referral information to complainants as presented on the website and will be available 9 a.m. – 5 p.m. (EDT), Monday – Friday (except government holidays) to respond to calls.

- **Email**

A complainant may send an email to request a referral. The Hotline website provides a link to send the email and instructions on the information to include and not to include in the email to the Hotline.

The Hotline will refer complainants to appropriate state and/or federal agencies to handle complaints of alleged violations of the Uniform Standards of Professional Appraisal Practice (USPAP) and/or appraisal independence requirements. Intake of complaints will be handled based on existing protocols established by the state or federal agency receiving the complaint. The Hotline does not initiate complaints, act on behalf of complainants, arbitrate complaints, assist in appealing the outcome of complaints or follow up on complaint referrals previously provided.

The Hotline will be rolled out in a phased approach. Phase 1 will consist of the initial operation of the Hotline. After the first six months of operation (Phase 1), the ASC will review the Hotline during Phase 2 to determine performance levels and whether adjustments need to be made. Phase 3 will implement any adjustments that were determined to be needed during Phase 2.

For further information, please contact James R. Park, Executive Director, at (202) 595-7575 or [Jim@ASC.gov](mailto:Jim@ASC.gov); or Alice M. Ritter, General Counsel, at (202) 595-7577 or [Alice@ASC.gov](mailto:Alice@ASC.gov).